

Minutes of the Meeting of April 29, 2016

of the

MASSACHUSETTS TEACHERS' RETIREMENT BOARD

I. Regular Matters of Business

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Joannah M. Quinn, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, General Counsel James Salvie, and Executive Assistant Helen Petruzzello.

The meeting was called to order at approximately 9:00 a.m.

The minutes of the previous Board meeting, held on March 18, 2016, were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Ms. Wass. The motion carried 6-0-1, with Mr. Naughton abstaining due to his absence from the March meeting.

VOTED: The Open and Executive minutes of the Board meeting held on March 18, 2016, are hereby approved as submitted.

II. Executive Session

A motion was made by Mr. Liston and seconded by Mr. Naughton to enter into executive session in order to review an application for termination retirement and discuss strategy with regard to pending litigation. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Joannah M. Quinn	Yes

Anne Wass	Yes
Chairman Jeff Wulfson	Yes

At approximately 9:02 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 9:45 a.m. the Board reconvened in Open Session.

III. Open Session

The Board considered the agenda items out of their original scheduled order to accommodate the arrival of Mr. Stebbins.

A. SECTION 91A POTENTIAL REFUND FOR EXCESS EARNINGS

1. Steven Stebbins

The Board considered the hearing officer's report concerning the exceeding of earnings limit under G.L. c. 32, §91A of \$20,093.02 by Steven Stebbins, a retired MTRS member. Accompanied by his wife, Mr. Stebbins testified on his behalf acknowledging that while he exceeded his earnings limit, he did so unknowingly and unintentionally. Upon the Board's inquiry, Mr. Stebbins and his wife indicated that they wanted to get this process behind them and the Board, on a motion made by Mr. Favorito and seconded by Mr. Naughton, voted unanimously to permit Mr. Stebbins to repay the amount due over an 18 month period via a monthly offset of his benefit, with the option of an acceleration of payments, if he so desired.

B. SECTION 15 POTENTIAL FORFEITURE

2. Robert Williams

Mr. Salvie informed the Board that the legal counsel for Mr. Williams had requested an extension due to unforeseen circumstances; therefore, on a motion made by Mr. Liston, and seconded by Ms. Quinn, the Board voted unanimously to table the potential forfeiture of Mr. Williams's contributions.

3. Steven Rock

The Board considered the hearing officer's report regarding the forfeiture under G.L. c. 32 § 15 (4) of Steven Rock. On a motion made by Ms. Gorrie and seconded by Ms. Wass, the Board voted unanimously to accept the hearing officer's report and forfeit the \$595.34 in interest on Mr. Rock's contributions and forfeit Mr. Rock's right to receive a future retirement allowance from the MTRS or any other Massachusetts Contributory Retirement System.

C. FINAL APPROVAL OF AMENDMENT TO 807 CMR 6.00

Mr. Salvie presented for the Board's final approval the proposed amendment to 807 Code Mass. Reg. 6.00 *Regular Compensation*, which the Board had approved at its November 2015 meeting. A public hearing was held on January 5, 2016 and, while one person appeared at the hearing, no written comments or testimony were received. PERAC approved the proposed amendment on April 1, 2016. On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted unanimously to finally approve the amendment.

D. REQUEST FOR APPROVAL OF OUT OF STATE TRAVEL FOR EXECUTIVE DIRECTOR

Pursuant to the provisions of the MTRS travel policy, Ms. Glaster requested the Board's approval to attend the National Pension Education Association ("NPEA") Spring Board Meeting from Thursday, June 16 – Sunday, June 19, 2016 in Nashville, Tennessee. Ms. Glaster confirmed that, as a NPEA Board member, she is reimbursed for her travel expenses and there is no cost incurred by MTRS. On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted unanimously to approve the out of state travel.

E. EXCLUSIVE BENEFIT RULE ISSUES UPDATE

Ms. Glaster provided the Board with an update on the status of the exclusive benefit rule issues and the ongoing work with State Retirement Board, and the Office of the Comptroller, in conjunction with legal counsel from Ice Miller LLP. Ms. Glaster also provided an update on the pending request for a meeting with the

Secretary of Administration and Finance on both the exclusive benefit rule and system funding issues.

F. PRIT UPDATE

Mr. Naughton, who serves as the Massachusetts Teachers' Retirement Board's representative to the Pension Reserves Investment Management Board ("PRIM"), updated the Board on the latest personnel activities, investment performance and budget actions at the PRIM Board. He also distributed copies of proposed legislation and a supporting document from the MTA pertaining to potential divestment of fossil fuels.

G. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster pointed out that the tentative MACRS agenda was included in the Board materials and noted that Mr. Osimo will be attending the spring seminar, along with board members.
2. Ms. Glaster distributed a summary of continuing education credits for each individual board member issued by PERAC.
3. For the Board's information, Ms. Glaster also distributed the latest edition of the MTRS publication *Your MTRS Benefits* guide, being used at the upcoming spring seminars.
4. In providing an office relocation update, Ms. Glaster stated that the conditional selection letter was submitted on March 24th and that work is being done currently on the specifics of the floor plan as a necessary step before the signing of the lease.
5. Ms. Glaster passed out the proposed FY 17 operational budget for board members to review in preparation for a detailed analysis and subsequent approval at the May board meeting. Additionally, she explained that due to unknown factors concerning expenses associated with the move at this time, there will be a proposed supplemental budget for the relocation expenses, expected to be an item on the June board meeting agenda.
6. Ms. Glaster reminded board members that the Statement of Financial Interests must be filed with PERAC by May 1st.
7. As proposed at the last meeting due to the timing of the office relocation, Ms. Glaster confirmed the change of the September board meeting date to September 16th.

On a motion made by Mr. Liston and seconded by Ms. Quinn, the Board voted unanimously to adjourn the meeting at approximately 10:57 a.m.

Respectfully submitted,

Erika M. Glaster, Executive Director

Date

Documents used in MTRS Board meeting of April 29, 2016

- Agenda for April 29, 2016 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of March 18, 2016 MTRS Board meeting
- Memorandum and supporting documents pertaining to termination retirement application
- Memorandum pertaining to impact of *PERAC v. Bettencourt* on pending litigation
- Hearing Officer's reports on Section 15 Potential Forfeiture cases
- Hearing Officer's report on Section 91A Potential Refund for Excess Earnings
- Memorandum and supporting documents pertaining to final approval of amendment to 807 CMR 6.00
- Memorandum pertaining to Approval of out of state travel for Executive Director
- Memorandum pertaining to issues concerning the Internal Revenue Code "exclusive benefit rule"